

FORM ACF-202 – TANF CASELOAD REDUCTION REPORT

State: <u>Montana</u>		Fiscal Year : 2006	
PART I – Implementation of All Eligibility Changes Made by the State Since FY 1995			
#	Eligibility Change	Implementation Date	Estimated Impact on Caseload Since Change (positive or negative impact)
<u>Changes Required by Federal Law</u>			
1.	Teen Parents must live in adult-supervised settings to receive assistance.	03/97	Negative Impact (Monthly Avg. -7) TS103G44 - Closures; TS103G54 – Denials (TPA Denial/Closure Code)
2.	<ul style="list-style-type: none">Non-Qualified aliens are ineligible for Federal TANF assistance.Assistance must be denied for 10 years for persons who have fraudulently misrepresented residence to obtain assistance in more than one State.Assistance must be denied for fugitive felons, probation or parole violators.Assistance must be denied for certain individuals that have been convicted of drug-related felonies.	07/97 06/97 06/97 06/97	Negative Impact (Monthly Avg. -6) TS103G44 - Closures; TS103G54 – Denials (FDA Denial/Closure Code)
3.	Parent/Caretaker must be engaged in approved TANF work activities after 24 months of assistance or when job ready.	10/96	No Impact
4.	Federal Time Limit: Assistance must be terminated for a family that includes an adult (<u>head-of-household or spouse of head-of-household</u>) who has received TANF assistance for 60 months since 10/96.	10/96	Negative Impact (Monthly Avg. -143) TS103G24 – TANF Data Report Section 2, Item 9 ('03')

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State-Implemented Changes			
Changes Related to Income and Resources			
5.	<p>The State will allow a dependent care disregard of \$200 per month per child for applicants and recipients, and will allow the disregard when incurred, in all demonstration components.</p> <p>The dependent care disregard is allowed when necessary to accept/continue employment, seek employment or to attend training/schooling preparatory to employment.</p>	<p>02/96</p> <p>11/01</p>	Positive Impact (unable to determine amount)
6.	<p>The State allows Pathways applicants and recipients a \$200 work expense disregard and a 25% disregard of remaining earned income. To receive the 25% disregard in Pathways, applicants and recipients must: 1) pass the Gross Monthly Income (GMI) test; 2) have received a grant in one of the past four months; or 3) pass the Net Monthly Income (NMI) test prospectively, allowing the \$200 work expense, dependent care and the child support payment disregards, but without deducting the 25% from the earnings.</p> <p>MT Senate Bill 77 removed the distinction between Pathways and the Community Service Program. All Cash Assistance households</p>	<p>02/96</p> <p>07/01</p>	Positive Impact (unable to determine amount)

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	received earned income disregards as indicated in this item. The Net Monthly Income (NMI) test to determine overall eligibility and allowable earned income disregards is eliminated.	08/01	
7.	The State allows CSP applicants and recipients a \$100 work expense disregard, and eliminates all other earned income disregards with the exception of the child care disregards. The Community Service Program was eliminated as a result of MT Senate Bill 77.	02/96 07/01	No Impact
8.	The State determines AFDC-UP eligibility for applicants and recipients without applying the 100-hour rule, connection to the labor force requirement, the 30-day unemployment prior to application condition, or the principal earner requirement.	02/96	Positive Impact (Monthly Avg. +79) Ad-hoc 545 (NDE Closure Code) FFY1995 Closures = 364; Denials = 327
9.	The State disregards energy assistance payments based on financial need.	02/96	Positive Impact (unable to determine amount)
10.	The State disregards educational income of students.	02/96	Positive Impact (unable to determine amount)

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11.	The State disregards court ordered child support payments made to non-household members.	02/96	Positive Impact (unable to determine amount)
12.	The State disregards gifts of money up to \$50 per gift per person.	02/96	Positive Impact (unable to determine amount)
13.	The State disregards earned income of dependent children attending elementary or high school regardless of age.	02/96	Positive Impact (unable to determine amount)
14.	The State considers lump sum payments to participants as resources rather than as income for eligibility and benefit determination.	02/96	Positive Impact (unable to determine amount)
	The policy requiring the imposition of a lump sum ineligibility period has been eliminated.	11/01	Positive Impact (unable to determine amount)
15.	The State has increased the resource limit to \$3000 for eligibility and benefit determination.	02/96	Positive Impact (Monthly Avg. +180) TS103G64.1
16.	The full equity value of one vehicle is excluded as well as the full equity value of all income-producing vehicles when determining an applicant or recipient family's countable resources.	02/96	Positive Impact (unable to determine amount)
17.	The cash value of life insurance policies is excluded when determining an applicant or recipient family's countable resources.	02/96	Positive Impact (unable to determine amount)

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#	Eligibility Change	Implementation Date	Estimated Impact on Caseload Since Change (positive or negative impact)
Changes Related to Categorical or Demographic Eligibility Factors			
18.	Confederated Salish & Kootenai Tribal Plan	01/99	(Ad-hoc 591)
19.	Fort Belknap Indian Community Tribal Plan	10/00	(Ad-hoc 591)
20.	Rocky Boy Tribal Plan	11/04	(Ad-hoc 591)
21.	Blackfeet Tribal Plan	08/05	(Ad-hoc 591)
Changes Related to Behavioral Requirements			
22.	The State requires adults applying for or receiving TANF cash assistance to enter into a Family Investment Agreement (FIA). The FIA requires adult participants to cooperate with all Child Support Enforcement Requirements, including all third party liability requirements; ensure that dependent children receive immunizations and attend health screenings per the State's EPSDT schedule; cooperate with Quality Control reviewers; accept and maintain employment; participate in the State's WoRC program or the demonstration JOBS program.	02/96	Negative Impact (Monthly Avg. -1100) TS103G44 - Closures; TS103G54 – Denials (FIA Denial/Closure Code)
23.	Cash Assistance households that fail or refuse to cooperate with Child Support Enforcement requirements without good cause <u>will be denied or closed</u> . Note: Because compliance with Child	02/01	Negative Impact (Monthly Avg. -54) TS103G44 - Closures; TS103G54 – Denials (CSE Denial/Closure Code)

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	Support Enforcement is no longer considered a Family Investment Agreement requirement (see Item #22) it is not a sanctionable offense as indicated in Item #28.		
24.	Signing a Family Investment Agreement is considered a basic eligibility requirement for TANF Cash Assistance. Adults applying for or receiving Cash Assistance must enter into a Family Investment Agreement. When a Cash Assistance applicant/participant fails or refuses, without good cause, to fulfill a basic eligibility requirement, benefits will be denied or terminated for the entire assistance unit.	07/01	Negative Impact (Included in Item #22)
25.	Cash Assistance households are not subject to a Net Monthly Income test when determining overall eligibility, and in determining allowable earned income disregards.	07/01	No Impact
26.	The State has eliminated the “Adult” and “Child Only” benefit standards applied to Cash Assistance households. Eligibility for all Cash Assistance households will be determined from one set of Standards according to household size.	02/01	Positive Impact (unable to determine amount)
27.	The State has eliminated the “with shelter” and “without shelter”	02/01	Positive Impact (unable to determine amount)

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	benefit standards applied to Cash Assistance households. Eligibility for Cash Assistance households will be determined from one set of Standards according to household size.		
Changes Due to Full-Family Sanctions			
28.	<p>Montana does not impose a full family sanction. The State applies a fiscal sanction for non-compliance with FIA requirements through a reduction in the cash assistance grant equal to that which would result from the removal of the sanctioned adult's needs from the cash assistance benefit.</p> <p>Effective 07/01/02, sanction policy was changed to limit the sanction penalty period to one month. If by the last day of the sanction penalty month, the sanctioned individual does not end the sanction by negotiating a new FIA, the household must serve a one month ineligibility period.</p> <p>During the ineligibility period, the household cannot receive benefits as long as the sanctioned individual is a required filing unit member.</p> <p>Effective 07/01/04, sanction policy was changed. The second and subsequent sanction imposed after July 1, 2004 will result in the</p>	<p>02/96</p> <p>07/02</p> <p>07/04</p>	<p>Negative Impact (Monthly Avg. -975)</p> <p>TS103G44 - Closures; TS103G54 – Denials (SAN Denial/Closure Code)</p>

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	imposition of a one month ineligibility period to the household.		

Other Eligibility Changes

29.	When the spouse of a parent is not the natural or adjudicated parent of a minor dependent child, the stepparent will be included as a cash assistance recipient. If he/she is so treated, all other FAIM provisions (including the increased earned income disregards) will apply to him/her.	02/96	Positive Impact (unable to determine amount)
30.	The State may provide a one-time employment related payment to Pathways recipients losing cash assistance eligibility due to employment. The maximum amount of the employment related payment may be up to three times the monthly, maximum cash assistance payment according to the family size. Families who receive such a payment are ineligible to receive two months of future cash assistance benefits for each month's cash benefit equivalent received as part of the employment related payment. MT Senate Bill 77 eliminated one-time Employment Related	02/96 07/01	No Impact

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	Payments effective 6/30/01.		
31.	State Time Limit: Assistance must be terminated for a family that includes an <u>adult</u> who has received TANF assistance for 60 months since 10/96.	02/97	Negative Impact (Monthly Avg. -27) TS103G24 TANF Data Report; Section 2, Item 9 ('10')
32.	Extended Benefits: The State may extend TANF Cash Assistance payments beyond the Federal 60-month limit to households that apply for Extended Benefits, are otherwise eligible for TANF Cash Assistance and meet certain eligibility criteria to qualify for the Extended Benefit program.	10/01	Positive Impact (Monthly Avg. +9) TS103G34 TANF Data Report; Section 1, Item 28 ('07', '08' & '09')
33.	Benefit Standard Decrease: The State decreased the TANF Cash Assistance benefit standards to 30% of the 2002 Federal Poverty Levels.	08/03	Negative Impact (Monthly Avg. -225) TS103G44 - Closures; TS103G54 – Denials (BSD Denial/Closure Code)
			Total Families
Estimated Total Net Impact on the Caseload of All Eligibility Changes			-2269
Total Prior Year Caseload (TANF Data Report Section 3, Item #8)			4614
Estimated Caseload Reduction Credit			34%

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State: <u>Montana</u>				Fiscal Year: 2005		
PART II – Application Denials and Case Closures, By Reason						
			Fiscal Year 1995		Fiscal Year 2004	
Reason for Application Denials			Number	Percentage	Number	Percentage
BSD	Benefit Standard Decrease	(08/03)			0	0
CNM	Extended Benefit Criteria Not Met	(12/01)			5	.10
CSE	Child Support Exceeds Standard		1	.01	2	.04
DTH	Death of Participants		2	.03	1	.02
EMP	Employment				0	0
FDA	Fugitive/Drug Felon; NQ Alien	(07/00)			3	.06
FIA	Failure to Comply with FIA				16	.32
FTC	Failure to Comply		2037	30.49	977	19.30
IEN	Income Exceeds Need		1779	26.63	1369	27.05
LAP	Unable to Locate	(07/00)			3	.06
MAR	Marriage				0	0
MMR	Monthly Report		7	.10	Not Applicable	Not Applicable
MOV	Move Out of County/State/Household		79	1.18	20	.40
NEC	No Eligible Child in Home		187	2.80	243	4.80
NDE	No Deprivation		327	4.90	Not Applicable	Not Applicable
OBE	Other Basic Eligibility		918	13.74	532	10.51
REL	Resources Exceed Limit		476	8.13	65	1.28

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PART II – Application Denials and Case Closures, By Reason					
		Fiscal Year 1995		Fiscal Year 2004	
ROR	Request of Recipient	341	5.10	310	6.13
SAN	Sanction			14	.28
TLE	Time Limits Exhausted (11/01)			1	.02
TPA	Teen Parent Not Residing in Supervised Setting			4	.08
TRN	Transfer Between Category	19	.30	6	.12
UIN	Unearned Income			74	1.46
WDR	Application Withdrawn	507	7.60	1416	27.97
Total Application Denials (TS103G54)		6680		5061	100%
Reasons for Case Closures		Number	Percentage	Number	Percentage
BSD	Benefit Standard Decrease (08/03)			0	0
CNM	Extended Benefit Criteria Not Met (12/01)			5	.05
CSE	Child Support Exceeds Standard	15	.17	37	.37
DTH	Death of Participants	23	.26	23	.23
EMP	Employment			20	.20
FDA	Fugitive/Drug Felon; NQ Alien (07/00)			0	0
FIA	Failure to Comply with FIA			539	5.38
FTC	Failure to Comply	1265	14.24	1929	19.25
IEN	Income Exceeds Need	2776	31.24	2365	23.61
LAP	Unable to Locate (07/00)			80	.80

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PART II – Application Denials and Case Closures, By Reason					
		Fiscal Year 1995		Fiscal Year 2004	
MAR	Marriage			1	.01
MMR	Monthly Report	311	3.50	Not Applicable	Not Applicable
MOV	Move Out of County/State/Household	1155	13.00	263	2.62
NEC	No Eligible Child in Home	672	7.56	563	5.62
NDE	No Deprivation	364	4.10	Not Applicable	Not Applicable
OBE	Other Basic Eligibility	932	10.49	590	5.89
REL	Resources Exceed Limit	67	.75	13	.13
ROR	Request of Recipient	907	10.21	1035	10.33
SAN	Sanction			1508	15.05
TIM	Time Limitation Exceeded			Not Applicable	Not Applicable
TLE	Time Limits Exhausted – TANF (11/01)			42	.42
TPA	Teen Parent Not Residing in Supervised Setting			0	0
TPC	Tribal Plan Closure			914	9.12
TRN	Transfer Between Category	393	4.42	10	.10
UIN	Unearned Income			63	.63
WDR	Application Withdrawn	5	.06	19	.19
Total Case Closures (TS103G44)		8885		10019	100%

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Part III – Description of the Methodology Used to Calculate the Caseload Reduction Estimates

(Attach supporting data to this form)

1. Montana is reporting a negative impact due to the eligibility provision requiring teen parents to live in adult-supervised settings in order to receive TANF assistance. The caseload impact resulting from this provision is calculated using the total number of cases closed or denied monthly as identified by the TPA (Teen Parent Not Residing in Supervised Setting) denial/closure reason code listed on the Denial (TS103G54) and Closure (TS103G44) reports.

Note: The carryover amount from the previous fiscal year will be reduced quarterly according to the percentage of closed cases returning to assistance as identified in the Caseload Reduction Rate of Decay Report (TS104424).
2. Montana is reporting a negative impact due to the eligibility changes listed. We have bundled the eligibility changes pertaining to Non-Qualified Aliens, Fraudulent Misrepresentation of Assistance, Fugitive Felon and Drug Felon. The caseload impact resulting from this provision is calculated using the total number of cases closed or denied monthly as identified by the {FDA = Fugitive Felon/Drug Felon/Non-Qualified Alien} denial/closure code listed on the Denial (TS103G54) and Closure (TS103G44) reports.
3. Montana is reporting no impact on the eligibility change that Parent/Caretaker must be engaged in approved TANF work activities after 24 months of assistance. The State requires adult participants to comply with Family Investment Agreement (FIA) activities according to the Waiver Terms and Conditions for the “Families Achieving Independence in Montana” demonstration project (Item #20). When a participant fails to participate in FIA activities, he/she is sanctioned (Item #26).
4. Montana is reporting a negative impact on the eligibility change to terminate assistance for a family that includes an adult (head-of-household or spouse of head-of-household) who has received TANF assistance for 60 months. A countable month is a month of assistance for which the head-of-household or spouse of the head-of-household is not exempt from the Federal time-limit provisions. The caseload impact from this provision is calculated using data from Section 2, Item #9 (‘03’) of the TANF Data Report {Denial/Closure reason codes TLE – Time Limits Exhausted and CNM – Extended Benefit Criteria Not Met}.
5. Montana is reporting no impact on the eligibility change to increase the dependent care disregard or to expand the definition of allowable expenses. This policy change may have resulted in an increase in eligible TANF households due to the higher dependent care disregard now being allowed. We are unable to determine the numerical impact of the increase from \$175 per month/child to \$200 per month/child for children over 2 years of age.

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6. Montana is reporting no impact on the eligibility change to increase the earned income disregards. This policy has resulted in an increase in the number of eligible TANF households, as the disregards are considerably higher than those allowed prior to implementation of the FAIM waiver. Previous disregards were limited to the \$90 work expense disregard, \$30 + 1/3 disregard for the first four months of employment and an additional \$30 disregard for the following eight months. Additionally, in order to receive the disregards, applicants and recipients must: 1) have received a grant in one of the past four months; or 2) pass the Net Monthly Income (NMI) test prospectively allowing the \$90 work expense disregard, the dependent care disregard, and the child support payment disregard, but without deducting the \$30 + 1/3 disregard from the earnings. We are unable to determine the numerical impact of this eligibility change.
- MT Senate Bill 77 removes the distinction between Pathways and the Community Service Program. The Community Services Program was eliminated effective 6/30/01. All Cash Assistance households receive income disregards as outlined in this item.
 - The Net Monthly Income (NMI) test to determine overall eligibility and allowable earned income disregards has been eliminated effective 8/1/01 (See Item 23).
7. Montana is reporting no impact on the eligibility change to the earned income disregards for individuals in the CSP program, as we believe the positive impacts cancel out the potential negative impacts. The work expense disregard results in an increase from \$90 to \$100, the dependent care disregard (item #5) results in an increased disregard from \$175/month to \$200/month per child.
- MT Senate Bill 77 removes the distinction between Pathways and the Community Service Program. The Community Services Program was eliminated effective 6/30/01. All Cash Assistance households receive income disregards as outlined in item #6.
8. This policy change resulted in a caseload increase rather than a caseload reduction. In FFY 1995, a total of 691 cases were closed (364) and denied (327) due to deprivation eligibility requirements as identified by the NDE (No Deprivation Exists) denial/closure reason code (see ACF-202, Part II). The caseload impact from this provision is calculated using the average monthly number of cases closed or denied in FY 1995.

For further indication of the caseload increase, please refer to the State's correspondence dated June 16, 1999, which was in response to requests for clarification of waiver exception criteria for the FY 1998 Caseload Reduction Report. This correspondence outlines the FAIM implementation schedule (02/96 – 08/97) and includes data from the ACF-3637 Statistical Report which clearly shows an increase in the average number of Two-Parent households between FY 1995 (977) and FY 1997 (1162) as FAIM policies were implemented.

Calculation Change (FY 2004): The method used to calculate this item will be changed beginning with the ACF-202 for FY 2004. The alternative method was established by evaluating the two-parent population in FY 95 (977) before the policy change was implemented and FY 97 (1,117) after the policy change was implemented. The difference, 140 cases = 12.5% of the FY 97 caseload. According to federal

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clarification, the state can reasonably estimate that lifting the UP restrictions accounted for 12.5% of the caseload in the next full year and may apply this percentage to each year's two-parent caseload to determine the estimated impact for this item.

9. Montana is reporting no impact on the eligibility change to disregard energy assistance payments. This policy change may have resulted in a caseload increase as these sources of income were previously used to determine financial eligibility and would have caused ineligibility for households with income exceeding the current standards. However, it is more likely the affect of these income disregards has been an increase in household benefit levels. We are unable to determine the numeric impact of this eligibility change.
10. Montana is reporting no impact on the eligibility change to disregard education income of students. This policy change may have resulted in a caseload increase as these sources of income were previously used to determine financial eligibility and would have caused ineligibility for households with income exceeding the current standards. However, it is more likely the affect of these income disregards has been an increase in household benefit levels. We are unable to determine the numeric impact of this eligibility change.
11. Montana is reporting no impact on the eligibility change to disregard court ordered child support payments made to non-household members. This policy change may have resulted in a caseload increase as this income disregard was not previously allowed when determining financial eligibility and would have caused ineligibility for households with income exceeding the current standards. However, it is more likely the affect of these income disregards has been an increase in household benefit levels. We are unable to determine the numeric impact of this eligibility change.
12. Montana is reporting no impact on the eligibility change to disregard gifts of money up to \$50 per gift per person. This policy change may have resulted in a caseload increase as these sources of income were previously used to determine financial eligibility and would have caused ineligibility for households with income exceeding the current standards. However, it is more likely the affect of these income disregards has been an increase in household benefit levels. We are unable to determine the numeric impact of this eligibility change.
13. Montana is reporting no impact on the eligibility change to disregard the earned income of dependent children attending elementary or high school regardless of age. This policy change may have resulted in a caseload increase as this income was previously used to determine financial eligibility and would have caused ineligibility for households with income exceeding the current standards. However, it is more likely the affect of these income disregards has been an increase in household benefit levels. We are unable to determine the numeric impact of this eligibility change.
14. Montana is reporting no impact on the eligibility change to count a lump sum payment as a resource rather than as income. According to the previous policy a lump sum payment was considered income in the month received. A period of ineligibility was determined by dividing the remainder of the lump sum by the Net Monthly Income limit (NMI) for the household size.

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According to FAIM policy, the lump sum payment is considered a resource. A household may lose eligibility for one or more months due to the receipt of a lump sum payment if, when the payment is added to all other countable resources, the total exceeds the \$3000 resource limitation. A period of ineligibility is determined by dividing the lump sum payment by the \$3000 resource limitation.

Because the lump sum payment was considered income rather than a resource in the initial month and the NMI is considerably lower than the resource limit (\$3000), this policy change may have increased the number of eligible TANF households. Additionally, this policy decreases the number of months in the ineligibility period, thus increasing the number of eligible TANF households. We are unable to determine the numeric impact.

- Effective 11/01/01 the policy regarding lump sum payments was changed. Montana no longer imposes a lump sum ineligibility period. A lump sum payment is considered a resource. If the household's total countable resources (including the lump sum payment) exceed the \$3000 resource limitation, the household is not eligible for Cash Assistance.

15. Montana is reporting a positive impact for this policy change as the increased resource limit has resulted in an increase in eligible TANF households. Prior to FAIM, the amount of real and personal property allowable for each household could not be in excess of \$1000 equity value per month. TS103G64.1 identifies the total number of eligible TANF households with countable resources in excess of \$1000.
16. Montana is reporting no impact on the eligibility change to exclude the full equity value of certain vehicles. This policy change may have resulted in an increase in eligible TANF households. Prior to FAIM, \$1500 equity value in one vehicle was excluded and the equity value of all remaining vehicles was counted in full toward the resource limit. We are unable to determine the numeric impact of this eligibility change.
17. Montana is reporting no impact on the eligibility change to exclude the cash value of life insurance policies. This policy may have resulted in an increase in eligible TANF households. Prior to FAIM, policy, the cash value of life insurance policies was not excluded when determining a family's countable resources, which may have resulted in denial/closure due to excess resources. We are unable to determine the numeric impact of this eligibility change.
18. The Confederated Salish & Kootenai (CSKT) Tribal Plan was implemented effective January 1, 1999. The total number of Salish & Kootenai cash assistance participants for FY 1995 (Ad-hoc 377) is being used to reduce the FFY 1995 Average Monthly AFDC Caseload.
19. The Fort Belknap Indian Community (FBIC) Tribal Plan was implemented effective October 1, 2000. The total number of households in the Fort Belknap Indian Community receiving cash assistance for FY 1995 (Ad-hoc 591) is being used to reduce the FFY 1995 Average Monthly AFDC Caseload.

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20. The Rocky Boy Tribal Plan was implemented effective November 1, 2004. The total number of households on the Rocky Boy reservation receiving cash assistance for FY 1995 (Ad-hoc 591) is being used to reduce the FFY 1995 Average Monthly AFDC Caseload.
21. The Blackfeet Tribal Plan was implemented effective august 1, 2005. The total number of households on the Blackfeet reservation receiving cash assistance for FY 1995 (Ad-hoc 591) is being used to reduce the FFY 1995 Average Monthly AFDC Caseload.
22. This policy results in a caseload reduction when a household refuses to negotiate a Family Investment Agreement, which is a condition of eligibility. The caseload impact resulting from this provision is calculated using the total number of cases closed or denied monthly as identified by the FIA (Failure to Comply with FIA) denial/closure reason code listed on the Denial (TS103G54) and Closure (TS103G44) reports.
- The primary result of this policy has been a reduction in the total number of eligible participants due to the Sanction procedure (see Item #26), which is imposed for non-compliance with specific FIA activities.
- Note:** The carryover amount from the previous fiscal year will be reduced quarterly according to the percentage of closed cases returning to assistance as identified in the Caseload Reduction Rate of Decay Report (TS104424).
23. Montana is reporting a negative impact on the policy change to deny or close rather than sanction, those households which fail or refuse to cooperate with Child Support Enforcement requirements. The caseload impact from this provision is calculated using the total number of cases closed or denied monthly as identified by the CSE (Child Support Enforcement) denial/closure code listed on the Denial (TS103G54) and Closure (TS103G44) reports.
- Note:** The carryover amount from the previous fiscal year will be reduced quarterly according to the percentage of closed cases returning to assistance as identified in the Caseload Reduction Rate of Decay Report (TS104424).
24. Montana expects a negative impact due to the policy change to deny or close those households that fail or refuse to fulfill the basic eligibility requirement to sign a Family Investment Agreement. The caseload impact from this provision will be reflected in Item #20 as these households will be closed or denied with the FIA (Failure to Comply with FIA) denial/closure reason code and cannot be separately identified for this item.
25. Montana is reporting no impact on the policy change to eliminate the Net Monthly Income (NMI) test when determining eligibility and allowable earned income disregards (see Item #6). This policy may have resulted in an increase in eligible TANF households, as the requirement to pass the NMI test without deducting the 25% from earned income would have caused some households to fail eligibility.

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26. Montana is reporting no impact on the policy change to eliminate the separate “Adult” and “Child Only” benefit standards applied to Cash Assistance households. This policy may have resulted in an increase in eligible TANF households as the “Child Only” benefit standards were raised to match the level of the “Adult” benefit standard.
27. Montana is reporting no impact on the policy change to eliminate the “with shelter” and “without shelter” benefit standards applied to Cash Assistance households. This policy may have resulted in an increase in eligible TANF households as the “without shelter” benefit standards were raised to match the level of the “with shelter” benefit standard.
28. Caseload reduction resulting from the sanction penalty month policy will only occur when the remaining household members do not meet financial eligibility requirements due to the removal of the sanctioned individuals needs from the assistance unit. The caseload impact resulting from the imposition of either a penalty month or an ineligibility month is calculated using the total number of cases closed or denied monthly as identified by the SAN (Sanction) denial/closure reason code listed on the Denial (TS103G54) and Closure (TS103G44) reports.

Note: The carryover amount from the previous fiscal year will be reduced quarterly according to the percentage of closed cases returning to assistance as identified in the Caseload Reduction Rate of Decay Report (TS104424).

29. This policy change resulted in an increase to the total TANF recipients and may, in some instances, have increased the number of eligible TANF households. An application on behalf of a dependent child must include as applicants certain potentially eligible relatives living in the same household as the dependent child.

The following individuals, if living in the same household as the dependent child and otherwise eligible, must be included in the filing unit:

the parent(s) of a dependent child ("parent" is defined as a natural/adoptive parent or a stepparent), and

the blood-related or adoptive brothers and sisters who are themselves dependent children within the age limit.

All of the income and resources of the individuals required to be included in the filing unit is considered in the determination of eligibility and payment amount. We are unable to determine the numeric impact of this eligibility change.

30. Montana is reporting no impact on the eligibility change to provide a one-time employment related payment to TANF families. The Employment related payment policy requires the household requesting the payment be losing cash assistance eligibility (case is being closed) due to employment. The employment related payment is an attempt by the State to assist the household in a successful transition from cash assistance dependence to employment and self-sufficiency.

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- MT Senate Bill 77 eliminated one-time Employment Related Payments effective 6/30/2001.

31. Montana is reporting a negative impact on the eligibility change to terminate assistance for a family that includes an adult who has received TANF assistance for 60 months. The Montana State Plan allows the State to count any month an adult or teen-parent living independently received TANF assistance toward the 60-month time limit **regardless of his/her head-of-household or spouse of head-of-household designation**. The caseload impact resulting from this provision is calculated using data from Section 2, Item #9 ('10') of the TANF Data Report because State Time Limit closures are not separately identifiable from Federal Time Limit closures using only Denial/Closure reason codes TLE – Time Limits Exhausted and CNM – Extended Benefit Criteria Not Met.

Montana Time Limit: Assistance must be terminated for a family that includes **an adult** who has received TANF assistance for 60 months since 10/96. This policy differs from the Federal Time Limit policy because federal policy indicates assistance must be terminated for a family that includes **an adult (head-of-household or spouse of head-of-household)** who has received TANF assistance for 60 months.

Note: The rate of decay calculation for this item is determined through a manual review of all cases identified in Section 2, Item #9 ('10') of the TANF DATA Report rather than from the Rate of Decay report (TS104424). The same methodology used to generate the Rate of Decay report is used in the manual review.

32. Montana is reporting a positive impact on the eligibility change to extend TANF Cash Assistance payments beyond the Federal 60-month limit to households who meet the States "Extended Benefit" program criteria. The Extended Benefit program was established in accordance with federal regulation at 264.1(c) - States have the option to extend assistance paid for by Federal TANF funds beyond the five-year limit for up to 20% of the average monthly number of families receiving assistance during the fiscal year or the immediately preceding fiscal year, whichever the State elects. States are permitted to extend assistance to families only on the basis of (1) Hardship, as defined by the State; or (2) The fact that the family includes someone who has been battered, or subject to extreme cruelty. Further federal guidance may be found at 254.3(b) and in the Federal Register/Vol. 64, No. 69 dated April 12, 1999 – Page 17846. The caseload impact from this provision is calculated using data from Section 1, Item #28 ('07', '08, & '09') of the TANF Data Report.

33. Montana is reporting a negative impact on the policy change to reduce the TANF Cash Assistance benefit standards from 40.5% to 30% of the 2002 Federal Poverty Levels published by the U.S. Department of Health and Human Services. The benefit standard decrease was implemented in an effort to maintain the solvency of the TANF Cash Assistance program for State Fiscal Years 2004 and 2005.

Calculation Method (FY 2004 ACF-202): The caseload impact resulting from the benefit standard decrease is calculated using the total number of cases closed or denied in FY 2003 as identified by the BSD (Benefit Standard Decrease) denial/closure reason code listed on the Denial (TS103G54) and Closure (TS103G44) reports. The BSD denial/closure reason code was manually entered for all cases closed in the

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initial implementation month.

Note: The carryover amount from FY2003 will be reduced quarterly according to the percentage of closed cases returning to assistance as identified in the Caseload Reduction Rate of Decay Report (TS104424).

Calculation Method: Montana is not performing two separate eligibility calculations for TANF Cash Assistance cases that are closed or denied to determine the impact of the benefit standard decrease. As a result, the caseload impact resulting from the benefit standard decrease will be calculated by evaluating the total number of cases closed or denied due to increased income as identified by the IEN (Income Exceeds Need) denial/closure reason code.

FY 2005 ACF 202: The estimated monthly difference (16 cases) is based on the increase between the FY 03 and FY 04 average monthly denials and closures.

- FY 02: 3718 (Monthly Average = 309)
- FY 03: 3676 (Monthly Average = 306)
- FY 04: 3873 (Monthly Average = 322)

FY 2006 ACF 202: The estimated monthly difference (05 cases) is based on the increase between the FY 03 and FY 05 average monthly denials and closures.

- FY 03: 3676 (Monthly Average = 306)
- FY 05: 3734 (Monthly Average = 311)

Note: In December 2004, Governor Martz approved a \$30 monthly increase to each household's calculated TANF Grant. Although this policy increased benefit payments to TANF households, it did not change the eligibility determination calculation (benefit standards at 30% of the 2002 Federal Poverty Level) and therefore does not have an impact on this item.

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Rate of Decay Methodology

Because cases, which have been closed due to these policy changes, do not necessarily remain off TANF assistance indefinitely, Montana has adjusted the estimated monthly impact included in the FY 2003 carryover total to account for the rate of decay associated with these cases. In order to determine the rate of decay for each policy change, the following process was established:

1. A master file was created to store the case name; case number; closure/denial month; and closure/denial reason code of each TANF Cash Assistance case closed or denied for each month of the fiscal year.
2. Each case identified in the master file was evaluated monthly to determine whether or not the case had been approved for Cash Assistance within the twelve (12) months immediately following the case closure/denial month listed in the master file.
3. Each case, which was approved for Cash Assistance within the twelve (12) months immediately following the case closure/denial, was evaluated to determine the length of time between the closure/denial month and the approval month. This information was recorded in quarterly intervals i.e. cases returned to assistance within 1 - 3 months following denial/closure, 4 - 6 months following denial/closure, 7 - 9 months following closure and 10 - 12 months following denial/closure.

Note: Because it is possible that a case may be closed/denied and approved numerous times within a 12-month period, the case is counted and evaluated for each closure/denial occurrence.

The FY 03 monthly carryover totals are adjusted by the actual percentage of cases (closed/denied), which have returned to assistance and according to the quarterly interval within which the case returned to assistance.

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Estimated Caseload Reduction Credit Percent Change from FY 1995 - FY 2005

Average Monthly Impact of All Eligibility Changes		Caseload Reduction Calculation			
Change	Impact				
#1 Teen Parent	-7				
#2 Felons/Aliens	-6				
#4 Time Limit (Federal)	-143				
#8 Deprivation	+79	FFY 1995 Average Monthly AF Caseload	11,508		
#15 Resource Limit	+180	FFY 1995 Salish & Kootenai Average AF Caseload (#18)	-135		
#22 FIA Participation	-1100	FFY 1995 Fort Belknap Average AF Caseload (#19)	-168		
#23 Child Support	-54	FFY 1995 Rocky Boy Average AF Caseload (#20)	-133		
#28 Sanction	-975	FFY 1995 Blackfeet Average AF Caseload (#21)	-685		
#31 Time Limit (State)	-27	FFY 1995 Adjusted Average Monthly AF Caseload	10,387		
#32 Extended Benefits	+9	FFY 2005 Average Monthly TANF Caseload	-4,614		
#33 Benefit Std.	-225	Actual Reduction in Average Monthly Caseload	5,773	Percentage of FY 95	56%
Net Impact	-2269	Caseload Reduction less Net Impact of Changes (-2269)	3,504	Percentage of FY 95	34%
		<i>Divided by FFY 1995 Adjusted Average Monthly Caseload</i>	<i>10,387</i>	Caseload Reduction Credit	34%

± According to TANF ACF-PA-99-2, Federal regulations (45 CFR 261.42) allow the State to offset eligibility change decreases against eligibility change increases. However, should caseload increases due to changes in eligibility be greater than decreases due to changes in eligibility, then the remaining increases cannot be added to the reduction.

The overall caseload reduction rate should be used in determining the minimum participation rate for Montana for both Total Families and Two-Parent Families.

- FY 1995 Average Monthly AFDC All Families Caseload information was obtained from the ACF 3637 Statistical Report
- FY 1995 Application Denials and Case Closures by reason information was obtained from Ad-hoc Report 545
- FY 2005 Average Monthly TANF All Families Caseload information was obtained from TANF Data Report Section 3 Totals

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PART IV -- Certification

I certify that we are providing the public an appropriate opportunity to comment on the estimates and methodology used to complete this report. Because the public comment period extends beyond the deadline for submission of the report, public comments are not included in the report. The State will file an amended report if any comments are received. Further, I certify that this report incorporates all reductions in the caseload resulting from State eligibility changes and changes in Federal requirements since Fiscal Year 1995.

Hank Hudson, Administrator
Human and Community Services Division